



IC Memorandum 10-23

To: Insurance Coordinators and Billing Contacts

From: Department of Employee Insurance (DEI)

Re: Premium Refunds and Appeals Processes Related to the Dependent Eligibility Audit

Date: June 22, 2010

This message outlines the process to refund employee premiums due to the termination of dependents during the Verification Phase of the Dependent Eligibility Audit and the process for employees to appeal terminations related to the audit. Also included is the timeline for terminations and appeals. Please note that each agency should use the agency's specific refund processing procedures; the 60-day refund limit is exempted for this audit.

Premium Refunds – for Verification Phase terminations only

- Refund the employee's portion of the premium, if any due, back to the date of termination (in most cases this will be 12/31/2009, but reference the termination date within the web enrollment system, in IC Functions)
- Determine whether the premium was originally paid pre-tax and if so, ensure the refund is processed through your agency's payroll to deduct the appropriate taxes from the premium refund (please use the normal refund processing procedures for your agency, noting that for the audit, we are exempting the 60-day refund limit)
- Employer refunds will also be processed back to date of termination; this will be reflected on the agency's bill

Appeals Process for Audit Terminations

- KEHP has established an appeals committee to review grievances arising out of the dependent eligibility audit
- Each employee has the right to appeal the termination of a dependent from KEHP
 - For an appeal to be considered, the employee must submit both a completed *Dependent Eligibility Verification Appeal Request Form* and appropriate documentation verifying dependent eligibility
 - The appeals request form and all requisite documentation must be received by KEHP by the appeal deadline which is: Group 1 – July 30; Group 2 – August 30

Commonwealth of Kentucky
Personnel Cabinet
Department of Employee Insurance
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Web Site: <http://kehpn.ky.gov>
Wellness Hotline: 877-KEHP-WELL

KENTUCKY GROUP HEALTH
INSURANCE BOARD:

TIMOTHY LONGMEYER, CHAIR
Personnel Cabinet

SHARON CLARK
Kentucky Department of Insurance

RICHARD DAVENPORT
Kentucky Education Support
Professional Association

LAURIE DUDGEON
Administrative Office of the Courts

JUDITH GAMBILL
Kentucky Teachers Retirement System

BOBBY HENSON
Kentucky Retirement Systems

TERRY HOLLIDAY
Kentucky Department of Education

MARY LASSITER
Office of State Budget Director

TOMMY LOVING
Advisory Committee of State
Health Insurance Subscribers

CRIT LUALLEN
Auditor of Public Accounts

BRENT MCKIM
Kentucky Education Association

JONATHAN MILLER
Finance and Administration Cabinet

RONNIE O'NAN
Kentucky Transportation Cabinet



- The *Dependent Eligibility Verification Appeal Request Form* will be posted on KEHP's website on the Dependent Eligibility Verification Program page and the Forms page (kehp.ky.gov)
 - Appeal Forms can be mailed to 501 High Street, Frankfort KY 40601, Attn: Appeals Committee; or fax to (502) 564-1085
- If an appeal is approved and the termination is reversed, the employee's dependent will be reinstated with no break in coverage
 - DEI will notify the agency of the reinstatement and the agency is responsible for ensuring that the employee and employer premiums are paid in full
Note: Each agency should use the agency's specific billing procedures.
 - Employees have 60 days to pay back any premium refund that was received or they will be terminated for non-payment
Note: Each agency should use the agency's specific billing procedures.

Audit Closure Dates

Group 1 (School Board Employees)

- June 30 – final deadline to verify dependents with Chapman Kelly
- July 9 – dependents not verified terminated from KEHP; IC should begin refund process
- July 30 – deadline to submit appeal

Group 2 (State Agencies, Retirees and Quasi Agency Employees)

- July 30 – final deadline to verify dependents with Chapman Kelly
- August 9 – dependents not verified terminated from KEHP; IC should begin refund process
- August 30 – deadline to submit appeal

Your employees should continue to contact Chapman Kelly directly with their questions and concerns about the audit. Chapman Kelly will notify KEHP if there are issues that need to be resolved.

Phone: (877) 223-8478

Fax: (888) 688-2036

Web: www.mydependentcheck.com/KEHP

If you have questions for KEHP, please call: (888) 581-8834.